2016-FRR Q&As

Financial Risk and Regulation (FRR) Series

Pass GARP 2016-FRR Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

https://www.pass2lead.com/2016-frr.html

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by GARP Official Exam Center

QUESTION 1

Mega Bank holds a $250 million mortgage loan portfolio, which reprices every 5 years at LIBOR + 10%. The bank also has $150 million in deposits that reprices every month at LIBOR + 3%. What is the amount of Mega Bank\\'s rate sensitive assets?

A. $100 million

B. $150 million

C. $200 million

D. $250 million

Correct Answer: D

QUESTION 2

Bank Muri has $4 million in cash and $5 million in loans coming due tomorrow with an expected default rate of 1%. The proceeds will be deposited overnight. The bank owes $ 9 million on a securities purchase that settles in two days and pays off $8 million in commercial paper in three days that is not expected to renew. On day 2, $1 million in loans is coming in with an expected default rate of 1% and on day 3, $2 million in loans is coming in with expected default rate of 2%. How much should the bank plan to raise in order to avoid liquidity problems?

A. $500 million

B. $510 million

C. $508 million

D. $550 million

Correct Answer: B

QUESTION 3

Which of the following assets on the bank\\'s balance sheet has greatest endogenous liquidity risk?

A. A 2-year U.S treasury bond

B. A 1-week corporate loan with a AAA rated company

C. A 10-year U.S treasury bond

D. A 3-year subprime mortgage

Correct Answer: D

QUESTION 4

To manage its credit portfolio, Beta Bank can directly sell the following portfolio elements:

I. Bonds

II. Marketable loans

III.

Credit card loans

A.

I

B.

II

C.

I, II

D.

II, III

Correct Answer: C

QUESTION 5

Gamma Bank estimates its monthly portfolio volatility at 5%.The portfolio\\'s annual volatility is closest to which of the following?

A. 8%

B. 17%

C. 30%

D. 35%

Correct Answer: B